

VZCZCXRO5955
OO RUEHDE
DE RUEHAD #0650/01 0540459
ZNY CCCCC ZZH
O 230459Z FEB 06
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3589
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ABU DHABI 000650

SIPDIS

SIPDIS

STATE FOR NEA/ARPI, EB/IFD/OIA, EB/TPP/BTA
STATE PASS USTR FOR DOUG BELL
COMMERCE FOR BIS MARY O'BRIEN

E.O. 12958: DECL: 02/22/2016

TAGS: [EINV](#) [ETRD](#) [PREL](#) [AE](#)

SUBJECT: BAD US PRESS ABOUT DP WORLD RAISES UAE CONCERNS

REF: ABU DHABI 578

Classified By: Deputy Chief of Mission Martin Quinn for reasons 1.4 (b & d).

¶1. (C) Summary: Negative press and Congressional reaction to DP World's acquisition of P&O's U.S. port facilities continues to concern UAE interlocutors. Minister of Economy Sheikha Lubna Al-Qasimi said she was concerned that this served as a warning of the likely response that bringing a U.S.-UAE FTA to Congress for ratification would get. The Vice President of the American Business Group urged U.S. business members to protest what she called an unfair attack on a friend. Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed intends to raise the issue with the Secretary. End Summary.

¶2. (C) Our UAE interlocutors continue to express their concern about the strongly negative press and Congressional reaction to DP World's (DPW) acquisition of P&O's U.S. facilities. We believe that the President's strong statement of support for the deal will help alleviate these concerns.

What will this mean for FTA?

¶3. (C) During the February 2, President's Day Embassy reception, UAE Minister of Economy (and the UAE's co-chair of its FTA negotiations with the USG) told econchief that she was very concerned about the virulently negative reaction from both Congress and the media to the deal. She said -- half jokingly -- "we need some reassurance" about our friendship in response to the media attacks. She noted that most of the DPW officials involved in brokering the deal were American citizens, which she thought was ironic. She added that she was concerned that the publicity would seriously impact the chances of bringing the FTA up for Congressional ratification, noting that this event served as a warning of the likely response the FTA would get. In response to econchief's question of whether the UAE Embassy planned to get a more positive message out, she stated that she knew DPW was planning a public relations campaign, and suggested that econchief contact the UAE Embassy's commercial attach about any broader planned outreach. The same day, Ministry of Finance A/US for Revenue and Budget Khalid Al-Bustani (the UAE's FTA negotiation coordinator) raised his concerns about the potential impact of the deal falling through on the FTA.

Unfair Criticism

¶4. (C) Many of our interlocutors have bridled at what they view as unjustified criticism of an important U.S. ally.

DPW's Amcit COO Edward Bilkey told CG Dubai February 20 that he thought that ignorance was behind much of the Dubai bashing that was going on in the U.S., though it was not the whole story. Bilkey said he hoped the USG understood just how serious it would be if the deal were to fall through. Dubai and the UAE had long been staunch, if quiet, supporters of USG efforts in the region, but how would they feel and react if the U.S. sent the message that it was "not a friend"? Bilkey thought the damage to the UAE's reputation, and to the egos of UAE leaders, could affect the country's enthusiasm for cooperation. On February 21, at an American Business Group luncheon in honor of Ambassador, the ABG Vice President urged individual U.S. business members to reach out to their Congressional representatives to protest the attack on "the best kept secret" and an oasis of tolerance in the region. She added that the ABG and the Dubai-based American Business Council would also be looking at a coordinated response. Dubai Financial Services Authority) Director-Enforcement Niall Coburn and General Counsel Joyce Maykut both expressed their surprise and dismay at the current row over DPW's acquisition of P&O. Coburn expressed his hope that the issue would be resolved quickly and in favor of DPW. He offered a seldom heard positive spin to the matter, suggesting it could raise awareness of Dubai and the UAE as important US allies and key partners in the war on terror. Both Coburn and Maykut considered the issue to be an uncomfortable situation for Dubai-based businesses since all of the US-mandated legal requirements had been achieved and the company was still facing resistance. Coburn believes some US politicians are using the opportunity to appear tough on security issues.

UAE's Response

ABU DHABI 00000650 002 OF 002

15. (C) Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed intends to raise this issue with the Secretary. Bilkey told CG Dubai that DPW was hiring some "top-notch" Washington lobbyists to help it contain the damage to the extent possible. He said he was leaving that evening for the U.S., where he would hold meetings aimed at ensuring that Congress and local U.S. officials had all the facts.

SISON